



BILLING CODE: 8070-01-P

FEDERAL HOUSING FINANCE AGENCY

[No. 2018–N–2]

Privacy Act of 1974; System of Records

AGENCY: Federal Housing Finance Agency.

ACTION: Notice of a Modified System of Records.

SUMMARY: In accordance with the requirements of the Privacy Act of 1974, as amended, (Privacy Act), the Federal Housing Finance Agency (FHFA) is making a revision to an existing system of records entitled “Suspended Counterparty System” (FHFA-23). The Suspended Counterparty System contains information that FHFA uses to implement the Suspended Counterparty Program by which the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the eleven Federal Home Loan Banks (Banks) are required to submit reports to FHFA when they become aware that an individual or institutions and any affiliates thereof, who are currently or have been engaged in a covered transaction with a regulated entity within three years of when the regulated entity becomes aware of covered misconduct, have engaged in fraud or other financial misconduct.

DATES: To be assured of consideration, comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The revisions to the existing system will become effective on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]

without further notice unless comments necessitate otherwise. FHFA will publish a new notice if the effective date is delayed to review comments or if changes are made based on comments received.

ADDRESSES: Submit comments to FHFA, identified by “2018-N-2,” using any one of the following methods:

- *Agency Web site:* www.fhfa.gov/open-for-comment-or-input.
- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the Federal eRulemaking Portal, please also send it by e-mail to FHFA at RegComments@fhfa.gov to ensure timely receipt by FHFA. Please include “Comments/No. 2018-N-2” in the subject line of the message.
- *Hand Delivered/Courier:* The hand delivery address is: Alfred M. Pollard, General Counsel, Attention: Comments/No. 2018-N-2, Federal Housing Finance Agency, 400 7th Street, SW., Eighth Floor, Washington, DC 20219. The package should be delivered to the 7th Street entrance Guard Desk, First Floor, on business days between 9 a.m. and 5 p.m.
- *U.S. Mail, United Parcel Service, Federal Express, or Other Mail Service:* The mailing address for comments is: Alfred M. Pollard, General Counsel, Attention: Comments/No. 2018-N-2, Federal Housing Finance Agency, 400 7th Street, SW., Eighth Floor, Washington, DC 20219. *Please note that all mail sent to FHFA via the U.S. Postal Service is routed through a national irradiation facility, a process that may delay delivery by approximately two weeks. For any time-sensitive correspondence, please plan accordingly.*

See **SUPPLEMENTARY INFORMATION** for additional information on submission and posting of comments.

FOR FURTHER INFORMATION CONTACT: Tasha Cooper, Associate General Counsel, *Tasha.Cooper@fhfa.gov* or (202) 649-3091; Stacy Easter, Privacy Act Officer, *privacy@fhfa.gov* or (202) 649-3803; or David A. Lee, Senior Agency Official for Privacy, *privacy@fhfa.gov* or (202) 649-3803 (not toll-free numbers), Federal Housing Finance Agency, Eighth Floor, 400 7th Street, SW., Washington, DC 20219. The telephone number for the Telecommunications Device for the Deaf is 800-877-8339.

SUPPLEMENTARY INFORMATION:

I. COMMENTS

FHFA seeks public comments on the revision to the system of records and will take all comments into consideration. *See* 5 U.S.C. 552a(e)(4) and (11). In addition to referencing “Comments/No. 2018-N-2,” please reference the “Suspended Counterparty System” (FHFA-23).

All comments received will be posted without change on the FHFA web site at <http://www.fhfa.gov>, and will include any personal information provided, such as name, address (mailing and email), telephone numbers, and any other information you provide. In addition, copies of all comments received will be available for public inspection on business days between the hours of 10 a.m. and 3 p.m., at the Federal Housing Finance Agency, 400 7th Street, SW., Washington, DC 20219. To make an appointment to inspect comments, please call the Office of General Counsel at (202) 649-3804.

II. INTRODUCTION

This notice informs the public of FHFA's proposed revisions to an existing system of records. This notice satisfies the Privacy Act requirement that an agency publish a system of records notice in the *Federal Register* when there is an addition or change to an agency's system of records. Congress has recognized that application of all requirements of the Privacy Act to certain categories of records may have an undesirable and often unacceptable effect upon agencies in the conduct of necessary public business. Consequently, Congress established general exemptions and specific exemptions that could be used to exempt records from provisions of the Privacy Act. Congress also required that exempting records from provisions of the Privacy Act would require the head of an agency to publish a determination to exempt a record from the Privacy Act as a rule in accordance with the Administrative Procedure Act. The Director of FHFA has determined that records and information in this system of records are not exempt from the requirements of the Privacy Act.

As required by the Privacy Act, 5 U.S.C. 552a(r), and pursuant to section 7 of OMB Circular No. A-108, "Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act," dated December 23, 2016 (81 FR 94424 (Dec. 23, 2016)), prior to publication of this notice, FHFA submitted a report describing the revisions to the system of records covered by this notice to the Office of Management and Budget, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate.

III. REVISED SYSTEM OF RECORDS

The “Suspended Counterparty System” (FHFA-23) system of records is being revised to change the name to “Suspended Counterparty Program System,” expand the purpose of the system, and to add three new routine uses. The name change is to more accurately reflect the system and program. The current purpose of the system is to receive reports from the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the eleven Federal Home Loan Banks (FHLBanks) when they become aware that an individual or institutions and any affiliates thereof, who are currently or have been engaged in a covered transaction with a regulated entity within three years of when the regulated entity becomes aware of the covered misconduct, have engaged in fraud or other financial misconduct. FHFA is proposing to expand the purpose of the system to include collecting information from other organizations and entities, besides Fannie Mae, Freddie Mac and the FHLBanks, that voluntarily submit reports to FHFA about counterparties that have engaged in covered misconduct as defined in the Suspended Counterparty Regulation at 12 CFR 1227.2.

The three new routine uses will permit FHFA to share information in the Suspended Counterparty System with Fannie Mae, Freddie Mac and the FHLBanks (hereinafter “regulated entities”); with state and federal housing or financial regulators; and state or federal professional licensing agencies.

The revisions to the system of records notice is described in detail below. All other aspects of the system of records notice, other than the changes described below, remain unchanged.

SYSTEM NAME AND NUMBER:

Suspended Counterparty Program System FHFA–23.

SECURITY CLASSIFICATION:

Sensitive but unclassified.

SYSTEM LOCATION:

Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20219, and any alternate work site utilized by employees of the Federal Housing Finance Agency (FHFA) or by individuals assisting such employees.

SYSTEM MANAGER(S):

Office of General Counsel, Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20219.

PURPOSE(S) OF THE SYSTEM:

The purpose of the System is expanded to include collecting information from other organizations and entities that voluntarily submit reports to FHFA about counterparties that have engaged in covered misconduct as defined in the Suspended Counterparty Regulation at 12 CFR 1227.2.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING

CATEGORIES OF USERS AND THE PURPOSE OF SUCH USES:

- (13) To an FHFA regulated entity.
- (14) To state and federal housing or financial regulators.
- (15) To state or federal professional licensing agencies.

HISTORY:

The FHFA Suspended Counterparty System (FHFA-23) system of records was last published in the **Federal Register** on November 25, 2014 (79 FR 70181).

Dated: February 28, 2018.

Melvin L. Watt,

Director, Federal Housing Finance Agency.

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